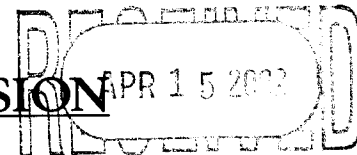


# ARIZONA CORPORATION COMMISSION UTILITIES DIVISION



Director of Utilities

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

B

W-02510A  
BOYNTON CANYON ENCHANTMENT HOMEOWNERS  
ASSOCIATION  
525 BOYNTON CANYON ROAD  
SEDONA AZ 86336-0000

## ANNUAL REPORT

**FOR YEAR ENDING**

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-18-02 cm

SCANNED

## COMPANY INFORMATION

Company Name (Business Name) BOYNTON CANYON ENCHANTMENT HOMEOWNERS ASSOCIATION  
WATER UTILITY CO.

Mailing Address 525 BOYNTON CANYON ROAD  
(Street)

SEDONA (City) ARIZONA (State) 86336 (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address SAME  
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: SUSANNE KNIGHT (Name) HOA MANAGER (Title)

525 BOYNTON CANYON ROAD (Street) SEDONA (City) AZ. (State) 86336 (Zip)

(928) 204-6264 Telephone No. (Include Area Code) (928) 204-2936 Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address SKnigh@enchantment+resort.com

On Site Manager: Jerry BRUCE (Name)

525 BOYNTON CANYON ROAD (Street) SEDONA (City) AZ. (State) 86336 (Zip)

(928) 204-6030 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Statutory Agent: GEORGE LIDICKER

(Name)

525 BOYNTON CANYON ROAD SEDONA

(Street)

(City)

AZ.

(State)

86336

(Zip)

(928) 204-6260

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOMEOWNERS ASSOCIATION WATERUTILITY CO.UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	\$114,173.00	\$28,543.09	\$85,629.91
307	Wells and Springs	\$82,770.14	\$25,980.47	\$56,789.67
311	Pumping Equipment	\$37,781.09	\$33,200.92	\$4,580.17
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	\$819.22	\$819.22	0
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$235,543.45</b>	<b>\$88,543.70</b>	<b>\$146,999.75</b>

235,543.45

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	\$6801.66 \$75,968.39	14.29% 31.50%	<del>0</del> \$2,411.52
311	Pumping Equipment	\$37,781.09	9.72%	\$3,886.43
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	\$114,173.00	15%	\$7,611.48
333	Services			
334	Meters and Meter Installations	819.22	14.29%	<del>0</del>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>235,543.26</b>		<b>13,909.43</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME **BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.**

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 6,618.68	\$ 686.68
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$ 8,979.75	\$ 9,465.99
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 15,598.43	\$ 10,152.67
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 235,543.43	\$ 235,543.43
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation -- Utility Plant	\$ 74,634.27	\$ 88,543.70
121	Non-Utility Property		
122	Accumulated Depreciation -- Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 160,909.18	\$ 146,999.75
	<b>TOTAL ASSETS</b>	\$ 176,507.61	\$ 157,152.42

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER CO.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 5,727.42	\$ 8,217.86
232	Notes Payable (Current Portion)	\$ 48,486.21	\$ 1,500.00
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	\$ 573.21	\$ 654.28
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 54,787.54	\$ 10,372.14
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 0	\$ 0
	<b>TOTAL LIABILITIES</b>	\$ 54,787.54	\$ 10,372.14
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	121,720.07	146,780.28
	<b>TOTAL CAPITAL</b>	\$ 121,720.07	\$ 146,780.28
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 176,507.61	\$ 157,152.42

COMPANY NAME **BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 120,589.57	\$ 126,463.52
460	Unmetered Water Revenue		
474	Other Water Revenues	\$ 59.65	\$ 345.19
	<b>TOTAL REVENUES</b>	\$ 120,649.22	\$ 126,808.71
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 18,759.77	\$ 28,274.03
610	Purchased Water		
615	Purchased Power	\$ 1,132.85	\$ 713.92
618	Chemicals		
620	Repairs and Maintenance	\$ 41,415.27	\$ 46,240.06
621	Office Supplies and Expense	\$ 1,980.00	\$ 2,051.60
630	Outside Services	\$ 4,513.10	\$ 12,523.20
635	Water Testing		
641	Rents		
650	Transportation Expenses	\$ 2,648.74	\$ 2,809.93
657	Insurance – General Liability	\$ 5,672.63	\$ 5,146.33
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	\$ 14,537.30	\$ 13,909.43
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 90,659.66	\$ 111,748.50
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXP</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$ 29,989.56	\$ 15,060.21



COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.

**SUPPLEMENTAL FINANCIAL DATA**  
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12-31-98			
Source of Loan	HOA RESERVE			
ACC Decision No.				
Reason for Loan	PIPE PROJECT			
Dollar Amount Issued	\$ 14,173.00	\$	\$	\$
Amount Outstanding	\$ 1,500.00	\$	\$	\$
Date of Maturity	2-28-02			
Interest Rate	0			
Current Year Interest	\$ 0	\$	\$	\$
Current Year Principle	\$ 46,986.91	\$	\$	\$

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-600175	10	25	5"	1 1/2"
55-545341	30	117	8"	2"

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 688,080

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5 H.P.	1	14	1

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 GALLONS	2	N/A	

## STATISTICAL INFORMATION

Total number of customers 100

Total number of gallons sold 18,694,174.00 gallons

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA YEAR ENDING 12/31/2001  
WATER UTILITY Co.

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported N/A  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Susanne Knight  
SIGNATURE

4-11-02  
DATE

SUSANNE KNIGHT  
PRINTED NAME

MANAGER  
TITLE

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER YEAR ENDING 12/31/2001  
UTILITY CO.

WATER AND SEWER  
UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

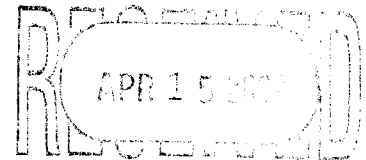
\$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

All property Tax is paid by the Boynton Canyon HOA due to the fact that the  
Water Co. is not its own entity. The Association holds a Certificate  
Convenience and Necessity from the Arizona Corporation Commission, Authorizing  
It to operate a Water Utility Co.

# VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only



Director of Utilities

## VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>YAVAPAI</b>
NAME (OWNER OR OFFICIAL) TITLE <b>SUSANNE KNIGHT / MANAGER</b>
COMPANY NAME <b>BOYNTON CANYON ENCHANTMENT HOMEOWNERS ASSOCIATION WATER UTILITY CO.</b>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2001
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

## SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 136,808.71

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 8,400.48  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Susanne Knight  
SIGNATURE OF OWNER OR OFFICIAL  
928-204-6264  
TELEPHONE NUMBER

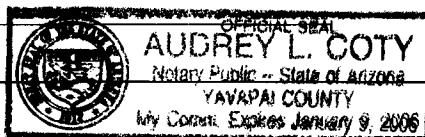
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS eleventh DAY OF

(SEAL)

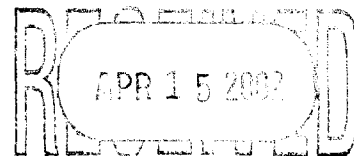
MY COMMISSION EXPIRES



COUNTY NAME <b>Yavapai</b>	
MONTH <b>April</b>	20 <u>02</u>
<u>Audrey L. Coty</u> SIGNATURE OF NOTARY PUBLIC	

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>YAVAPAI</u>	
NAME (OWNER OR OFFICIAL) <u>SUSANNE KNIGHT</u>	TITLE <u>MANAGER</u>
COMPANY NAME <u>BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>6,819.43</u>
---

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 342.89  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Susanne Knight  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

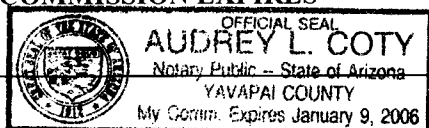
THIS

eleventh

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME <u>Audrey L Coty</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	20 <u>02</u>

X Audrey L Coty  
SIGNATURE OF NOTARY PUBLIC